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FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 07/19/2010

To: New York

From: New York

Contact: SA [REDACTED]

Approved By: [REDACTED]

Drafted By: [REDACTED]

Case ID #: 318D-NY-304825-7 (Pending)

Title: DUNGAN PARTNERS LP;
SMITH MANAGEMENT LLC;
INSIDER TRADING;

Synopsis: To index main subjects and additional references.

Details: The following businesses have been identified through
FBI [REDACTED]

| | |
|-----------------------|---|
| Business Name: | DUNGAN PARTNERS LP |
| Account Owner's | |
| Tax Identification | |
| Number (TIN): | [REDACTED] |
| Business Type: | Miscellaneous Business Services |
| Financial Account | |
| Address: | 2nd Floor, 7 Wests Centre Bath Street, St. Helier Jersey Channel Islands JE2 4ST, United Kingdom |
| Main Trading Address: | P.O. 404, Pirouet House Union Street Jersey Channel Islands JE4 9WG, United Kingdom |
| Phone Number: | 01534-601835 |
| DUNS Number: | [REDACTED] |
| Registered Number: | |
| Principals: | Duncan Partner Ltd, Director Florican Ltd, Director |
| Registration Date: | 10/14/1998 |
| Number of Employees: | [REDACTED] |

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NY-304825-7

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To: New York From: New York
Re: 318D-NY-304825, 07/19/2010

Telephone Number: New York, NY 10022
212-752-5661
Year Started: 1984
Incorporation State: New York
Incorporation Date: 6/16/1994
Chief Executive: [REDACTED]
Principal/Chairman: [REDACTED]
Business Type: Investment counselors
DUNS Number: [REDACTED]
Taxpayer ID (FEIN)1: [REDACTED]
Employees: [REDACTED]
Last Updated: 7/12/2010

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Business Name: FLORICAN LIMITED
Director: [REDACTED]
Registered Number: [REDACTED]
Registration Market: Companies House
Address: 47 Brunswick Place
London N1 6EE, N1 6EE
Company Type: Private Limited with share capital
Incorporation Date: 7/19/1982
Status: Dissolved as of 1/19/1993

Business Name: NOVA CHEMICALS (NCX)
Head Office Address: 1000 Seventh Avenue S.W.
P.O. Box 2518, Station M
Calgary, Alberta
Canada T2P 5C6
Canada Phone Number: (403) 750-3600
Canada Fax Number: (403) 269-7410
U.S. Commercial
Center Address: Westpointe Center
1555 Goraopolis Heights Road
Moon Township, Pennsylvania
USA 15108
U.S. Phone Number: (412) 490-4000
U.S. Fax Number: (412) 490-4155

Business Name: INTERNATIONAL PETROLEUM
INVESTMENT COMPANY (IPIC)
Postal Address: PO Box 7528
Abu Dhabi

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To: New York From: New York
Re: 318D-NY-304825, 07/19/2010

Location Address: United Arab Emirates
Sheikh Zayed the 1st Street
Al Muhairy Center
Office Tower, 10th Floor
Phone Number: +971-2-6336555
Fax Number: +971-2-633011

The following individuals have been identified through FBI and

[Redacted]

Name:
Financial Services
Authority (FSA)
Individual Reference
Number:
Current Controlled
Functions:

Previous Controlled
Functions:

Miscellaneous:

[Redacted]

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Name:
SSAN:
DOB:
Address:

Phone Number:
Employer:
Job Title:

[Redacted]

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FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 07/21/2010

To: New York

From: New York

Contact: [REDACTED]

Approved By: [REDACTED]

Drafted By: [REDACTED]

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Case ID #: 318D-NY-304825 8

Title: DUNGAN PARTNERS LP;
SMITH MANAGEMENT LLC;
INSIDER TRADING

Synopsis: To document a teleconference with the Securities and Exchange Commission (SEC) in Philadelphia and the U.S. Attorney's Office-Eastern District of New York (USAO-EDNY).

Enclosure(s): Civil Action No. 09-civ-6650 (HB)

Details: On July 20, 2010, SA [REDACTED] participated in a conference call with AUSA [REDACTED] and SEC-Philadelphia representative [REDACTED] regarding the alleged insider trading within the DUNGAN PARTNERS LP fund.

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

KHALED MOHAMMED
SHARIF AL SAYED AL HASHEMI
a.k.a. KHALED AL HASHEMI,

Defendant.

Civil Action No.

09-civ-6650 (HB)

COMPLAINT

Plaintiff Securities and Exchange Commission ("Commission" or "SEC") alleges:

1. This case involves the unlawful trading on the basis of material, nonpublic information concerning the acquisition of Nova Chemicals Corporation ("Nova") by International Petroleum Investment Company ("IPIC"), which was announced on February 23, 2009. Khaled Mohammed Sharif Al Sayed Al Hashemi, a.k.a. Khaled Al Hashemi ("Hashemi" or "Defendant"), a citizen and resident of Abu Dhabi, United Arab Emirates, purchased 120,000 shares of Nova stock in advance of the February 23, 2009 announcement ("Announcement"). Specifically, between February 6 and February 20, 2009, the two weeks leading up to the Announcement, Hashemi purchased 120,000 shares of Nova Chemicals Corporation in a U.S.-based online brokerage account at an average price of \$1.41 per share, and then sold those shares on February 23, the day of the Announcement, for an average price of \$5.24 per share, realizing profits of \$458,760.

proceeds, losing \$30,022, or 47.14%, of his initial investment. Further, Hashemi purchased shares of one of the six liquidated stocks in January 2009, only to liquidate that stock in February for a loss. Overall, in order to fund his Nova common stock purchases, Hashemi incurred a loss of 66% when liquidating his pre-existing investments.

46. Significantly, the liquidation prices Hashemi accepted in February to generate proceeds for his Nova purchases were below sale limit orders placed on certain of the securities in preceding months. For example, on December 8, 2008, Hashemi placed a limit order to sell 500 shares of one of the securities liquidated in February, at \$2.80 per share. At the time the December limit order was placed, the market price of the stock on the New York Stock Exchange was \$2.15 per share. Hashemi's limit order expired unexecuted on January 16, 2009 because the price of the stock never reached his limit price of \$2.80. However, in connection with the February liquidations, and less than a month later, Hashemi sold this same stock for \$2.10 per share.

CLAIM FOR RELIEF

Violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder

47. The Commission realleges and incorporates by reference each and every allegation in paragraphs 1 through 46, inclusive, as if they were fully set forth herein.

48. Upon information and belief, at the time Defendant Hashemi purchased Nova common stock as set forth above, he was in possession of, and traded on the basis of, material, nonpublic information about IPIC's offer to acquire Nova.

49. Defendant Hashemi knowingly or recklessly traded on the basis of: (1) material inside information that he misappropriated in violation of his fiduciary duty or similar duty of trust and confidence owed to the shareholders of Nova or to the source from whom he received

7. This Court has jurisdiction over this action pursuant to Sections 21(d), 21(e), 21A and 27 of the Exchange Act [15 U.S.C. §§ 78u(d), 78u(e), 78u-1 and 78aa].

8. Venue in this district is proper under Section 27 of the Exchange Act [15 U.S.C. § 78aa]. Certain of the acts, practices, and courses of business constituting the violations alleged herein occurred within the Southern District of New York and elsewhere, and were effected, directly or indirectly, by making use of the means or instrumentalities of transportation or communication in interstate commerce, or of the mails, or the facilities of a national securities exchange.

DEFENDANT

9. Hashemi is a citizen and resident of Abu Dhabi, United Arab Emirates. On information and belief, Hashemi is or was employed as an Information Technology Manager at the Abu Dhabi Oil Refining Company ("AORC") and is currently, or has recently been, employed as an Administration Director by the Abu Dhabi Tourism Authority, an entity established by the Government of the Emirate of Abu Dhabi. AORC is a subsidiary of the Abu Dhabi National Oil Company, which is owned by the Government of the Emirate of Abu Dhabi.

OTHER RELEVANT ENTITIES

10. Nova is headquartered in Calgary, Alberta, Canada and also has principal executive offices in Moon Township, Pennsylvania, and is a producer of plastics and chemicals. At all times referenced herein, Nova's common stock was registered with the Commission pursuant to Section 12(b) of the Exchange Act and traded on the New York Stock Exchange and Toronto Stock Exchange under the ticker symbol NCX.

11. IPIC is located in Abu Dhabi, United Arab Emirates and is wholly owned by the Government of the Emirate of Abu Dhabi. IPIC invests in foreign oil and chemical companies.

FACTS

Nova and the Proposed Business Combination

12. Beginning in the Fall of 2008, IPIC and Nova began discussing possible business combinations. In particular, on October 9, 2008, during a visit by Nova's executive management to IPIC's offices in Abu Dhabi, IPIC first expressed an interest in acquiring Nova. The Nova Board of Directors discussed this expressed interest in a meeting on November 12, 2008.

13. On January 6, 2009, Nova and IPIC senior management and representatives of their respective financial advisers met in Toronto, Canada. At that meeting, IPIC made a preliminary proposal to acquire Nova. Also at that time, IPIC provided to Nova a letter and summary of transaction terms, outlining a preliminary non-binding proposal to, among other things, acquire all of Nova's outstanding common stock in an all cash deal at \$12.00 per share.

14. Subsequent to the January 6, 2009 meeting, Nova's management, and its legal and financial advisers, engaged in further discussions with IPIC and its representatives.

15. Prior to January 14, 2009, and concurrent with the acquisition discussions with IPIC, Nova's management was also in the midst of renegotiating and amending certain financial covenants under a \$350 million senior secured credit facility which were about to default.

16. On January 29, 2009, Nova publicly released its results for the fourth quarter of 2008 and reported a net loss of \$214 million, compared with net income of \$98 million for the third quarter of 2008. The following day, the stock price closed at \$1.79, a decrease of \$1.31, or 42% from the previous day's close of \$3.10 per share.

17. Simultaneously, Nova also announced that it obtained relief on certain financial covenants which would allow the company access to its bank credit lines during the first half of 2009, subject to certain conditions, including securing \$100 million in additional financing by

February 28, 2009. The company also stated in this same release that it was “well advanced in negotiations” to secure the \$100 million and that it “fe[lt] confident” that the financing would be in place by February 28, 2009.

Approval and Announcement of the Acquisition

18. On February 4, 2009, members of Nova’s senior management and financial advisers met in London, England, with senior officers and financial advisers of IPIC (the “Revised Proposal Meeting”) and informed Nova of a reduced, non-negotiable, cash offer to acquire Nova at \$6.00 per share. Nova’s management agreed to present IPIC’s offer to Nova’s Board of Directors on February 6, 2009 and requested that IPIC move quickly to complete its due diligence review and definitive acquisition documentation by February 23, 2009.

19. On February 6, 2009, IPIC delivered its expression of interest and summary of transaction terms to Nova. On that same day, at the direction of the Nova Board of Directors, Nova executed the summary of transaction terms and confidentiality and standstill agreement. IPIC executed the same documents on February 7, 2009.

20. On Sunday, February 22, 2009, at 5:00 p.m. EST, Nova’s Board of Directors met and approved the acquisition documents, recommended that Shareholders vote in favor of the acquisition, and authorized Nova’s entry into a new, \$150 million, financing arrangement.

21. Also on Sunday, February 22, 2009, at approximately 10:45 p.m., Nova announced that it had received \$150 million in new financing, satisfying the condition of proposed relief earlier announced on January 29, 2009.

22. On February 23, 2009, at 8:23 a.m. EST, prior to the opening of the trading on the Toronto and New York Stock Exchanges, Nova and IPIC jointly made the Announcement,

informing the public that IPIC would acquire Nova for cash consideration of \$6.00 per share, or a total cash value of \$2.3 billion.

23. On July 6, 2009, IPIC and Nova jointly announced that the acquisition had been completed.

**Nova's Common Stock Price Jumped Almost 300%
in Response to the Announcement**

24. In the three months preceding the Announcement, Nova common stock traded on the New York Stock Exchange at prices ranging from \$1.05 to \$8.32, with an average daily trading volume of 1,899,468 shares.

25. On Friday, February 20, 2009, the last trading day prior to the Announcement, Nova common stock closed on the New York Stock Exchange at \$1.34 per share, with trading volume of 1,697,424 shares.

26. On Monday, February 23, 2009, after the Announcement was made, Nova common stock closed on the New York Stock Exchange at \$5.21 per share, on a trading volume of 34,938,712 shares. This represents an increase in the stock price of 289% and an increase in volume of 1,958%, since the close of the trading on the New York Stock Exchange on Friday.

27. Nova's common stock price and volume similarly jumped on the Toronto Stock Exchange: Nova's common stock price reflected an increase of 291% between the close of the Toronto Stock Exchange on Friday, February 20, 2009 and the close on Monday, February 23, 2009, and its volume increased by 1025%.

Hashemi's Trading in Nova Common Stock

28. Hashemi opened his Trading Account on July 30, 2002. On information and belief, all transactions in the Trading Account described herein were done by Hashemi or at Hashemi's direction.

29. Hashemi began purchasing Nova common stock on February 6, 2009, shortly after the Revised Proposal Meeting on February 4th, during which IPIC communicated to Nova's management a revised and non-negotiable offer to acquire Nova at \$6.00 per share.

30. On information and belief, and in view of the highly unusual circumstances of Hashemi's trading in Nova common stock, beginning on or before February 5, 2009, or approximately two weeks before the Announcement, Hashemi misappropriated or was tipped material, nonpublic information concerning the negotiations and impending acquisition of Nova, and knowingly and/or recklessly traded while in possession of, and on the basis of, that material, nonpublic information.

31. Beginning on February 6, 2009, and continuing through Friday, February 20, 2009, Hashemi purchased 120,000 shares of Nova common stock in the Trading Account at an average price of \$1.41 for a total purchase price of \$169,742. The purchases were made through a series of seventy-six (76) separate "limit orders," or orders to buy the security at a specific price or better, not all of which were executed. During this time period, Nova common stock traded on the New York Stock Exchange at prices ranging from \$1.19 to \$1.90.

32. On January 31, 2009, the Trading Account had a value of \$99,251.74, of which \$98,856.50 was held in stock and the remaining \$395.24 in cash. As further discussed below, Hashemi began liquidating stock in the Trading Account in order to fund his purchases of Nova

2. Hashemi's first known purchases of Nova common stock occurred on February 6, 2009, within a day or two of IPIC's non-negotiable cash offer to acquire Nova at \$6.00 per share. He funded his purchases of Nova common stock, in part, through his sudden liquidation at a loss, of other securities that he had owned. He purchased over 50% of his Nova common stock position on the last trading day before the Announcement, and immediately prior to the Announcement he placed pre-market limit orders to sell Nova common stock at prices significantly higher than the previous trading day's closing price.

3. Upon information and belief, Hashemi traded in Nova common stock while in possession of, and on the basis of, material, nonpublic information concerning the IPIC acquisition of Nova.

4. As of July 22, 2009, Hashemi's online trading account through which he made the unlawful purchases of Nova common stock (the "Trading Account") contained \$633,404.93, which includes the illicit proceeds from Hashemi's Nova trades.

5. By knowingly or recklessly engaging in the conduct described in this Complaint, Defendant Hashemi violated, and unless restrained and enjoined will continue to violate, Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)], and Rule 10b-5 [17 C.F.R. § 240.10b-5], thereunder.

JURISDICTION AND VENUE

6. The Commission brings this action pursuant to Sections 21(d) and 21A of the Exchange Act [15 U.S.C. §§ 78u(d) and 78u-1], to enjoin such acts, practices, and courses of business, and to obtain disgorgement, prejudgment interest, civil money penalties and such other and further relief as the Court may deem just and appropriate.